

SEC



16003113

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	March 31, 2016
Estimated average burden	
hours per response.....	12.00

SEC
Mail Processing
SectionANNUAL AUDITED
FORM X-17A-5
PART III

SEC FILE NUMBER
8-44574

FEB 24 2016

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Washington
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder
409

RMS

REPORT FOR THE PERIOD BEGINNING 01/01/15 AND ENDING 12/31/15
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Country Club Financial Services, Inc.

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

1 Ward Parkway

(No. and Street)

Kansas City

MO

64112

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Sandra Dershem-Vega

816-751-4223

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

BKD, LLP

(Name - if individual, state last, first, middle name)

1201 Walnut Street, Suite 1700 Kansas City

MO

64106

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant☐ Public Accountant☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

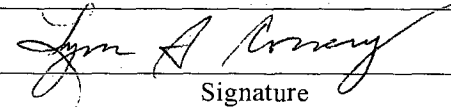
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Lynn S. Conery, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Country Club Financial Services, Inc., as of DECEMBER 31, 20 15, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:


Signature
President
Title


Notary Public

HEATHER AUSTIN
Notary Public - Notary Seal
STATE OF MISSOURI
Jackson County
My Commission Expires: August 30, 2019
Commission # 15637844

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



Country Club Financial Services, Inc.

**Reports of Independent Registered Public Accounting Firm
and Financial Statements**

December 2015 and 2014

Country Club Financial Services, Inc.

December 31, 2015 and 2014

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Report of Independent Registered Public Accounting Firm

Board of Directors
Country Club Financial Services, Inc.
Kansas City, Missouri

We have audited the accompanying statements of financial condition of Country Club Financial Services, Inc. (the "Company"), a wholly-owned subsidiary of Country Club Bank, as of December 31, 2015 and 2014, and the related statements of operations, stockholder's equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The computation of net capital under rule 15c3-1 as of December 31, 2015 ("supplemental information") has been subjected to audit procedures performed in conjunction with the audits of the Company's financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

BKD, LLP

Kansas City, Missouri
February 19, 2016

Country Club Financial Services, Inc.

Statements of Financial Condition

December 31, 2015 and 2014

Assets

	2015	2014
Cash and cash equivalents	\$ 1,320,819	\$ 412,847
Clearing agent deposits	100,000	100,000
Commissions receivable	64,617	75,471
Accounts receivable	11,335	44,728
Equity securities - not readily marketable	3,300	3,300
Prepaid expenses	70,558	28,235
Furniture, fixtures and equipment - net	11,322	21,513

Total assets

\$ 1,581,951	\$ 686,094
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Liabilities

Accounts payable	\$ 128,055	\$ 214,505
Total liabilities	128,055	214,505

Stockholder's Equity

Common stock, \$0.10 par value; authorized 100,000 shares; issued and outstanding 1,000 shares	100	100
Additional paid-in capital	5,917,900	5,167,900
Retained deficit	(4,464,104)	(4,696,411)

Total stockholder's equity

1,453,896	471,589
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Total liabilities and stockholder's equity

\$ 1,581,951	\$ 686,094
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Country Club Financial Services, Inc.

Statements of Operations

Years Ended December 31, 2015 and 2014

	2015	2014
Revenues		
Commissions	\$ 1,600,810	\$ 1,807,492
Service fees	803,589	792,066
Investment banking advisory fee income	2,888,454	605,344
Other revenues	142,166	357,734
Total revenues	<u>5,435,019</u>	<u>3,562,636</u>
Expenses		
Personnel services	3,416,948	3,305,007
Management services	798,000	399,000
Outside electronic data processing	138,009	152,084
Pershing ticket charges	87,798	69,194
Occupancy and equipment	346,888	317,402
Professional fees	57,442	41,413
Dues and subscriptions	43,777	39,096
Regulatory fees	46,393	55,260
Depreciation	10,192	15,087
Advertising costs	67,548	42,415
Stationery and supplies	3,356	10,677
Other operating expenses	186,361	115,736
Total expenses	<u>5,202,712</u>	<u>4,562,371</u>
Net Income (Loss)	<u>\$ 232,307</u>	<u>\$ (999,735)</u>

Country Club Financial Services, Inc.

Statements of Stockholder's Equity Years Ended December 31, 2015 and 2014

	Common Stock	Additional Paid-in Capital	Retained Deficit	Total Stockholder's Equity
Balance, January 1, 2014	\$ 100	\$ 5,167,900	\$ (3,696,676)	\$ 1,471,324
Net loss	-	-	(999,735)	(999,735)
Balance, December 31, 2014	100	5,167,900	(4,696,411)	471,589
Capital contribution from Parent	-	750,000	-	750,000
Net income	-	-	232,307	232,307
Balance, December 31, 2015	<u>\$ 100</u>	<u>\$ 5,917,900</u>	<u>\$ (4,464,104)</u>	<u>\$ 1,453,896</u>

Country Club Financial Services, Inc.

Statements of Cash Flows

Years Ended December 31, 2015 and 2014

	2015	2014
Operating Activities		
Net income (loss)	\$ 232,307	\$ (999,735)
Items not requiring cash		
Depreciation	10,192	15,087
Changes in		
Commissions receivable	10,854	7,504
Accounts receivable	33,393	(8,903)
Prepaid expenses	(42,323)	(224)
Accounts payable	(86,451)	49,865
Net cash provided by (used in) operating activities	157,972	(936,406)
Investing Activities		
Acquisition of furniture, fixtures and equipment	-	(6,764)
Net cash used in investing activities	-	(6,764)
Financing Activities		
Capital contribution from Parent	750,000	-
Net cash provided by financing activities	750,000	-
Increase (Decrease) in Cash and Cash Equivalents	907,972	(943,170)
Cash and Cash Equivalents, Beginning of Year	412,847	1,356,017
Cash and Cash Equivalents, End of Year	\$ 1,320,819	\$ 412,847

Country Club Financial Services, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Country Club Financial Services, Inc. ("the Company") is a limited services securities broker engaged in the sale of stocks, bonds, mutual funds, unit investment trusts, insurance and annuity products, investment banking services and institutional non-interest fee income products under its own name and also under the names of Wheatland Advisors and Country Club Capital Advisors. The Company employs 28 representatives at offices in 18 locations in Kansas, Missouri and Oklahoma. The Company is licensed in 47 states and the District of Columbia, and is a member in good standing of the Financial Industry Regulatory Authority ("FINRA") and various state agencies. All general securities are insured by Securities Investor Protection Corporation. The Company is registered with the Securities and Exchange Commission ("SEC") and is subject to the net capital requirements of SEC Rule 15c3-1 and is exempt from the reserve requirements and possession or control requirements of SEC Rule 15c3-3 under paragraph (k)(2)(ii).

The Company is a wholly-owned subsidiary of Country Club Bank ("Parent"), and the Parent is a wholly-owned subsidiary of CCB Financial Corporation ("Holding Company"); as such, the Company files a consolidated S corporation income tax return with both its Parent and the Holding Company; the accounts of the Parent and the Holding Company are not presented or otherwise included in these financial statements, nor are the accounts of other subsidiaries of the Parent and the Holding Company, such as Country Club Trust Company, N.A., and Tower Wealth Managers, among others.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Company considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2015, cash equivalents consisted primarily of money market accounts with a broker.

Revenue Recognition

Commission revenue and related expenses are recorded on a trade-date basis. Service fees, which are comprised of continuing service fees and 12b-1 fees, are recorded in the period in which they are earned. Revenue from investment banking activities is recorded when invoices are issued.

Country Club Financial Services, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

Income Taxes

In 2015 and 2014, the Company paid no income taxes. The Company's Parent and Holding Company have elected S-corporation status for the consolidated group. The Holding Company is no longer subject to federal or state income tax examinations by taxing authorities before 2012.

Reclassifications

Certain reclassifications have been made to the 2014 financial statements to conform to the 2015 financial statement presentation. These reclassifications had no effect on net income.

Subsequent Events

Subsequent events have been evaluated through February 19, 2016, which is the date the financial statements were issued.

Note 2: Clearing Agent Deposits

The Company maintains a deposit account amounting to \$100,000 with its clearing agent pursuant to a Clearing Agent Agreement. The clearing agent deposit has been included as an allowable asset for purposes of the Company's net capital calculation. Prior to 2015, this deposit was shown as cash and cash equivalents on the balance sheet. During 2015, management elected to change the classification of this deposit on the balance sheet. This change has been retroactively applied to the 2014 financial statements.

Note 3: Related-party Transactions

The Parent provides office space and management services as needed at a cost to the Company of \$798,000 and \$399,000 for 2015 and 2014, respectively. For 2015 and 2014, the Company received insurance commission income of \$99,257 and \$115,625, respectively, from premiums paid by the Parent.

The Company shares revenue with Tower Wealth Managers and Country Club Trust Company, N.A., under the terms of a formal subadvisory agreement applicable to specific categories and types of transactions. For 2015 and 2014, the Company recognized revenue-sharing income of \$52,972 and \$265,227 that is reported as Other Revenues in the Statements of Operations.

The Company is under a lease agreement with a bank that is under common ownership with the Holding Company. Under this agreement, the Company leases office space in two bank branches in exchange for 27% of gross commissions and fees earned by the Company from transactions for securities and insurance business. In 2015 and 2014, \$120,323 and \$118,715, respectively, was charged to occupancy and equipment expense on the statement of operations.

The Company maintains its primary operating cash account at Country Club Bank. The balance in this account was \$110,648 and \$127,844 at December 31, 2015 and 2014 respectively

Country Club Financial Services, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

Note 4: Furniture, Fixtures and Equipment

At December 31, 2015 and 2014, furniture, fixtures and equipment consisted of the following:

	2015	2014
Furniture, fixtures and equipment	\$ 89,371	\$ 133,340
Less accumulated depreciation	(78,049)	(111,827)
Total furniture, fixtures and equipment	<u>\$ 11,322</u>	<u>\$ 21,513</u>

Note 5: Net Capital Requirements

The Company is subject to the Securities and Exchange Commission uniform net capital rule (Rule 15c3-1), which requires the maintenance of a minimum amount of net capital, and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid, if the resulting net capital ratio would exceed 10 to 1. Net capital requirements at December 31, 2015 and 2014 are summarized as follows:

	2015	2014
Net capital	\$ 1,341,108	\$ 376,533
Aggregate indebtedness	128,186	214,505
Minimum net capital required	50,000	50,000
Excess net capital at 1500%	1,291,108	326,533
Excess net capital at 1000%	1,328,289	355,083
Net capital ratio	0.10 to 1	0.57 to 1

Note 6: Commitments and Contingencies

General Litigation

The Company is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, results of operations and cash flows of the Company.

Country Club Financial Services, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

Current Economic Conditions

Changing economic and financial market conditions could adversely affect the Company's results of operations in future periods. The accompanying financial statements have been prepared using values and information currently available to the Company.

Note 7: Reliance on Third-party Liquidity

The Company has received a commitment from its Parent to provide additional funds during the next fiscal year to meet liquidity needs not covered by operating cash flows.

In January 2015, the Parent made a \$750,000 capital contribution to the Company.

Note 8: Significant Estimates and Concentrations

U.S. generally accepted accounting principles requires disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Approximately 49 percent of investment banking advisory fee income for the year ended December 31, 2015 was received from one client.

Supplemental Schedule

Country Club Financial Services, Inc.
Computation of Net Capital under Rule 15c3-1 of the
Securities and Exchange Commission
December 31, 2015

Aggregate Indebtedness	<u>\$ 128,186</u>
Minimum Net Capital Required, Greater of 6-2/3% of Aggregate Indebtedness or \$50,000 Minimum	<u>\$ 50,000</u>
Stockholder's Equity	<u>\$ 1,453,896</u>
Nonallowable Assets	
Equity securities - not readily marketable	3,300
Property and equipment, net	11,322
Prepaid expenses and other	<u>73,963</u>
Total nonallowable assets	<u>88,585</u>
Haircut on Money Market Account	<u>24,203</u>
Net Capital	<u>\$ 1,341,108</u>
Capital in Excess of Requirement	<u>\$ 1,291,108</u>
Ratio of Aggregate Indebtedness to Net Capital	<u>.10:1</u>

No material differences exist between the above net capital calculation and the corresponding information included in the Company's unaudited X-17A-5 Part IIA filing as of December 31, 2015. Therefore, no reconciliation of the two computations is deemed necessary.

Country Club Financial Services, Inc. Exemption Report

Country Club Financial Services, Inc. (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. § 240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

The Company claimed an exemption from 17 C.F.R. §240.15c3-3 under the following provisions of 17 C.F.R. §240.15c3-3(k)(2)(ii).

The Company met the identified exemption provisions in 17 C.F.R. §240.15c3-3(k) throughout the most recent fiscal year without exception.

Country Club Financial Services, Inc.

I, Lynn S. Conery, affirm that, to my best knowledge and belief, this Exemption Report is true and correct.

By: Jim A. Conery

Title: President

Date: February 19, 2016

Report of Independent Registered Public Accounting Firm

Board of Directors
Country Club Financial Services, Inc.
Kansas City, Missouri

We have reviewed management's statements, included in the accompanying *Country Club Financial Services, Inc. Exemption Report*, in which (1) Country Club Financial Services, Inc. (the "Company") identified the following provisions of 17 C.F.R. §15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. §240.15c3-3: paragraph (k)(2)(ii) (the "exemption provisions") and (2) the Company stated that the Company met the identified exemption provisions throughout the most recent fiscal year without exception. The Company's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the conditions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the *Securities Exchange Act of 1934*.

BKD, LLP

Kansas City, Missouri
February 19, 2016

**Independent Registered Public Accounting Firm's
Agreed-Upon Procedures Report on
Schedule of Assessment and Payments (Form SIPC-7)**

Board of Directors
Country Club Financial Services, Inc.
Kansas City, Missouri

In accordance with Rule 17a-5(e)(4) under the *Securities Exchange Act of 1934*, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2015, which were agreed to by Country Club Financial Services, Inc. (the "Company"), and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of Form SIPC-7. The Company's management is responsible for the Company's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States). The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries in the general ledger, noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2015, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2015, noting no differences;
3. Noted no adjustments to be reported in Form SIPC-7; and
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the listing of assessment payments, noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

Kansas City, Missouri
February 19, 2016

SIPC-7

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION
P.O. Box 92185 Washington, D.C. 20090-2185
202-371-8300

General Assessment Reconciliation**SIPC-7**

(33-REV 7/10)

For the fiscal year ended 12/31/2015

(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

19*19*****2629*****MIXED AADC 220
044574 FINRA DEC
COUNTRY CLUB FINANCIAL SERVICES INC
1 WARD PKWY
KANSAS CITY MO 64112-2169

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

2. A. General Assessment (item 2e from page 2)

\$ 8,729.05

B. Less payment made with SIPC-6 filed (exclude interest)

(6,386.25)

Date Paid

C. Less prior overpayment applied

(_____)

D. Assessment balance due or (overpayment)

2,342.80

E. Interest computed on late payment (see instruction E) for _____ days at 20% per annum

F. Total assessment balance and interest due (or overpayment carried forward)

\$ 2,342.80

G. PAID WITH THIS FORM:

Check enclosed, payable to SIPC
Total (must be same as F above)

\$ 2,342.80

H. Overpayment carried forward

\$(_____)

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Country Club Financial Services, Inc.

(Name of Corporation, Partnership or other organization)

Dated the 23 day of January, 20 16.

Senior Vice President, CCO

(Authorized Signature)

(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates:

Postmarked

Received

Reviewed

Calculations

Documentation

Forward Copy

Exceptions:

Disposition of exceptions:

AND GENERAL ASSESSMENT

Amounts for the fiscal period
beginning 1/1/2015
and ending 12/31/2015

Eliminate cents

\$ 5,435,019

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.
(See Instruction C):

(Deductions in excess of \$100,000 require documentation)

- (9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ 0

- (ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ 0

Enter the greater of line (i) or (ii)

Total deductions

2d. SIPC Net Operating Revenues

e. General Assessment @ .0025

1,943,400

\$ 3,491,619

\$ 8,729.05

(to page 1, line 2.A.)